

# **FEDERAL INTERNATIONAL (2000) LTD**

(Incorporated in Singapore)

Company Registration No. 199907113K

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## **DISPOSAL OF SHAREHOLDINGS IN PT BINAGUNA ADI SEJAHTERA**

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### **1. The Disposal**

The Board of Directors ("Board") of Federal International (2000) Ltd (the "Company" or together with its subsidiaries the "Group") wishes to announce that its wholly-owned subsidiary, Federal Hardware Engineering Co. Pte Ltd ("FHEC") has via its subsidiary, PT Fedsin Rekayasa Pratama ("PT FRP") entered into a Share Purchase Agreement (the "Agreement") with Darmawan Wireno (the "Purchaser"), for the sale of its entire 20% interest in shareholdings in PT Binaguna Adi Sejahtera ("PT Binaguna").

### **2. Information on the Purchaser**

Darmawan Wireno, a citizen of the Republic of Indonesia, is the majority shareholder of PT Binaguna.

### **3. Consideration**

Under the terms of the Agreement, the amount payable by the Purchaser to PT FRP shall be US\$150,000, in consideration of the 20% sale shares.

The following terms of payment had been agreed between the parties:

- US\$75,000 to be paid by the Purchaser, upon the signing of the Agreement.
- US\$75,000 to be paid by the Purchaser, within 3 months from the date of the Agreement.

The initial payment of US\$75,000 has been received by the Company and the transaction is expected to complete in 2Q FY2010.

The consideration of US\$150,000 was arrived at after arm's-length negotiations on a 'willing-buyer willing-seller' basis. The net asset value of PT Binaguna is S\$960,000.

### **4. Rationale for the Sale**

The disposal is in line with the Group's strategy to divest the Group's interest in certain projects and subsidiaries and the proceeds of which will be used to repay bank loans and improve working capital.

The disposal will result in a gain of S\$18,000 which will be recognised in the full year financial statements ending 31 December 2010.

### **5. Financial Effects**

The above transaction is not expected to have a material impact on the net tangible assets and the earnings per share of the Group for the financial year ending 31 December 2010.

**6. Material Conditions**

There are no material conditions in the Agreement.

**7. Interests of Directors and Controlling Shareholders**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the disposal.

By Order of the Board

Maggie Koh  
Executive Director  
29 January 2010